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March 29, 1973

National Security Study Memorandum 178

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
- THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Program for National Net Assessment

In furtherance of his memorandum of November 5, 1971 concerning the organization and management of the U.S. Foreign Intelligence Community, the President has directed the initiation of a program for the preparation of a series of national net assessments.

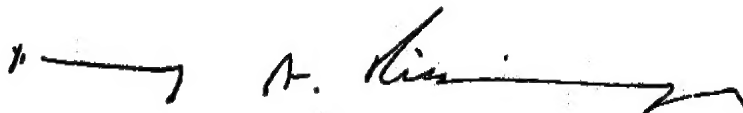
As a first step in this process, the President has directed that a paper be prepared which would:

- Define the national net assessment process, and discuss the range and types of topics that would be addressed.
- Discuss methodology appropriate for use in preparing net assessments.
- Establish reporting and coordination procedures for the program.

The President has directed that this paper be prepared by an ad hoc group comprising representatives of the addressees and chaired by the Director, Net Assessment Group, of the National Security Council staff.

The report of the Ad Hoc Group should be completed by May 15, 1973, and forwarded for consideration by the National Security Council Intelligence Committee.

NSS, OSD Reviews
Completed


Henry A. Kissinger

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6502

MEMORANDUM

Outside System

NATIONAL SECURITY COUNCIL

URGENT ACTION

29 March 1973

ADMINISTRATIVE CONFIDENTIAL

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: A. W. MARSHALL *sum*
SUBJECT: Net Assessment Memorandum

The version preferred by Murphy is generally satisfactory. I do think, however, that while it is all right to discuss in the initial stages the range and types of topics that would be addressed in national net assessment, it would be inappropriate to attempt to negotiate a definitive list of the initial national net assessments. To do so would foreclose HAK's options. You might make this clear to Murphy as our understanding of that provision.

I believe HAK would prefer the initial formulation of the final paragraph asking that the report be forwarded to the NSCIC. I have restored the original wording.

A marked up copy of the Defense draft memo, and a final version for HAK's signature are attached.

ATTACHMENT

ADMINISTRATIVE CONFIDENTIAL

MEMORANDUM

6502

NATIONAL SECURITY COUNCIL

SECRETACTION
March 7, 1973

MEMORANDUM FOR DR. KISSINGER

FROM: A. W. Marshall *AWM*

SUBJECT: Initiation of Net Assessment Studies

Getting a national net assessment process started has been stalled since last fall. At Tab A is a chronology which describes what has happened since last August. On October 24 you indicated in the margin of a memorandum from me to you (see Tab B) that you wanted to go forward with one of the proposed options for initiating a program of net assessment studies after the election. You were to sign a NSSM which would form an ad hoc group under my leadership to:

- Define the national net assessment process.
- Prescribe methodology to be followed in preparing net assessments.
- Establish reporting and coordination procedures for national net assessments.

When Richardson came on board an additional option opened up that could short-cut the definitional effort, and allow us to move directly to substantive studies. Discussion with Richardson was suggested, aimed at getting him to agree that moving forward on national net assessment studies was feasible and desirable. Detailed procedural problems could be settled by direct discussion between his staff and the NSC staff. (See my memorandum of January 9 at Tab C and a joint memo with Phil Odeen dated January 17 at Tab D with talking points for a breakfast meeting with Richardson.)

A few weeks ago Abramowitz, of Richardson's staff, approached me, initially to discuss people to fill Defense jobs, and then with regard to advice as to what to do with the several net assessment efforts that have been started in Defense. In the course of discussing the latter issue I reviewed with him the past history of the attempt to get a national, NSC level net assessment effort started, Laird's opposition, etc.

SECRET - GDS

SECRET

2

Abramowitz is likely to have the long-range planning function on Richardson's staff and become the focal point for directing the net assessment effort within Defense. He reports that Richardson tends to favor continuing the Defense net assessment effort.

My discussion with Abramowitz suggests, however, that:

-- Richardson would like to start any net assessment of a major defense or national security problem in a limited, experimental way.

-- They like the general issue we initially selected, i.e., the comparative cost and capabilities of U. S. and Soviet military programs.

-- They would prefer to start with one of the four suggested studies: a comparison and assessment of U.S. and Soviet military manpower programs (see Tab E for the terms of reference we prepared several months ago for such a study).

-- They would prefer to do it as a Defense study with the involvement of CIA to provide intelligence inputs on Soviet programs and the costing of Soviet efforts.

This presents a way of moving forward within the government in the development of net assessment, but may limit the NSC role. I believe you should discuss these matters with Richardson, either to propose that he go forward in this way, or to insure some NSC relationship to the study. At a minimum you should indicate:

-- NSC desire to develop an intimate and informal involvement in the study.

-- That when the study is completed that it would be useful to have it reviewed by the NSCIC.

The various net assessment efforts going on elsewhere badly need a definitive lead and sense of direction. The effort serving Laird directly never really produced anything, and the lower-level efforts produced a

SECRET

SECRET

3

mixed bag of studies, some good, some bad. The new Defense team may give the needed leadership, but the NSC should be involved and hopefully playing the leading role. Questions as to NSC seriousness in going forward with net assessment will arise unless we overcome the bureaucratic obstacles that have held us up thus far. Some action by you is needed. If we cannot get at least the beginnings of a well organized effort started in the next couple of months, I suggest that we cease NSC efforts to produce national net assessments.

In the latter case, I propose putting all of my staff's efforts on the problems of improving the quality of intelligence support to you and the NSC staff. With Schlesinger taking charge as DCI we have a whole new ball game. Substantial progress probably can be made over the next couple of years in changing the nature of the intelligence product coming to the White House. You will have a separate memorandum from me in a few days that describes:

- The changes Schlesinger is making.
- My views as to the best course of action for my staff.
- Actions I believe you should take with respect to the NSCIC and other issues.

Options

- Option One: Issue the NSSM originally proposed on August 1, 1972 directing four substantive studies (copy at Tab F).
- Option Two: Discuss the initiation of net assessment studies with Richardson at your next meeting and secure his agreement to proceeding with an initial study under mutually agreeable terms, these to include some NSC role in the study.
- Option Three: Issue the NSSM proposed in the October 13 memorandum and designated by you for implementation "after the election."
- Option Four: Do some in-house studies, along the lines previously proposed for interdepartmental working groups.

SECRET

SECRET

4

Option Five: Abandon efforts to produce national net assessments.

Pros and Cons

Option One would get net assessment on the map, but would almost certainly cause a confrontation with Defense, with undesirable side effects. I believe we will get a better job in the long run by a less direct approach.

Option Two will get us started in a small way, but keeps open options for substantial expansion of the effort later if desired. Richardson, as discussed above, would probably go along with this approach.

Option Three would get us started on a definitional study, to which no one, including Defense, could have much plausible objection. However, an interdepartmental group to consider how to do net assessment is not likely to produce much of value. This option must be looked upon as a ploy to get the major players materially involved before directing substantive studies.

Option Four would probably result in interesting studies, but we are severely limited by the amount of manpower we can devote to this. The NSC budget does not allow letting large study contracts. Preliminary efforts to get the CIA to produce the sort of intelligence inputs we would need show that a lot of our effort would be absorbed in badgering them, although Schlesinger's interest in net assessment might well change this. If we do produce our own studies, their conclusions can be disputed by other agencies who have not participated. The one payoff could be to provide you with some additional insights into selected problem areas.

Option Five would allow me to concentrate my staff's efforts on improving intelligence support. However, it would inevitably involve some loss of NSC credibility with the bureaucracy. Also, I believe that we would miss a significant opportunity to improve the quality of the analytical effort focused on major defense issues over the next few years. Attached at Tab G is a copy of a paper previously sent to you describing this in more detail.

SECRET

SECRET

5

Recommendation

I recommend that you select Option Two. If you agree, I will prepare talking points for your next meeting with Richardson.

Decision: Option # _____

Comment _____

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Net Assessment Chronology

1 August 1972

Net Assessment Group (NAG) forwards proposed NSSM directing a national net assessment of the comparative efficiency and effectiveness of the U.S. and Soviet military establishments. NSSM is passed to SecDef for comment prior to issuance.

1 September 1972

SecDef comments on proposed NSSM received. He is against doing the NSSM in an interdepartmental group, and in the absence of well understood net assessment methodology.

14 September 1972

NAG forwards SecDef comments, recommends revised approach to national net assessment which involves starting with a short study to define nature and purposes.

13 October 1972

NAG revises 14 September paper to bring it up to date.

18 October 1972

NAG forwards paper on the "Status of Net Assessment Studies" describing current situation and NAG activities while awaiting decision.

24 October 1972

HAK annotates 13 October paper "I agree with Option 2, but prefer to implement after the election."

9 November 1972

NAG forwards revised version of 13 October NSSM in accordance with 24 October guidance.

SECRET - GDS

SECRET

2

28 November 1972

NAG forwards revised and updated version of 13 October NSSM for action immediately after the scheduled NSCIC meeting (meeting cancelled, NSSM returned).

9 January 1973

NAG forwards memo entitled "Status of Net Assessment Studies" proposing direct approach to new SecDef in order to get started on substantive studies.

18 January 1973

NAG provides Talking Points for meeting with Richardson. These suggest enlisting Richardson's support for national net assessment, and proceeding directly to substantive studies as proposed on 1 August 1972.

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